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TAGS: [PGOV](#) [PREL](#) [PINR](#) [UP](#)  
SUBJECT: RADA UPDATE: COALITION TALKS INCONCLUSIVE; DROP  
DEAD DATE MAY BE OCTOBER 3

REF: A. KYIV 1890  
[1](#)B. KYIV 1860

Classified By: Charge d'Affaires James Pettit for reasons 1.4(b,d).

SUMMARY  
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[1](#)1. (C) Negotiations continue between President Yushchenko's Our Ukraine-People's Self-Defense (OU-PSD) and the Yulia Tymoshenko Bloc (BYuT) to re-form the Orange coalition in conjunction with potential new partner, the Lytvyn Bloc. This would avoid early elections, a goal PM Tymoshenko appears still to support. Observers believe that Yushchenko, however, regards early elections to be in his advantage. Members of his OU-PSD group disagree; more than 30 OU-PSD faction members (out of a total 72) signed a letter expressing support for a renewed Orange coalition. Yanukovych's Party of Regions announced on September 25 that they had suspended formal coalition talks pending resolution of talks between OU-PSD and BYuT. Some observers, including Yanukovych, believe the 30-day clock on coalition formation runs out October 3. Yushchenko surrogates say he may decide not to call new elections immediately. End Summary.

Yushchenko Blocking Progress  
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[1](#)2. (C) OU-PSD and BYuT have stepped up their negotiations to re-form their coalition, plus the Lytvyn Bloc. On September 26, OU-PSD MP Kyrylo Kulikov told us that the OU-PSD Political Council was to meet on September 27 to finalize "principles" that must be reflected in any coalition agreement and deliver the document to BYuT. He said OU-PSD MP and European Party member Nikolai Katerynychuk has gathered up to 33 OU-PSD signatures calling for an OU-PSD/BYuT/Lytvyn coalition. "Almost no one" in the faction favors early elections, noted Kulikov, adding that BYuT and OU-PSD MPs "all get along." The problem is the enmity between Tymoshenko and Yushchenko. Kulikov posited that if Katerynychuk were able to gather a majority of MPs in support of the coalition, it could give Kyrylenko cover to go against Yushchenko. Kulikov claimed that OU-PSD faction head Kyrylenko opposes the coalition on orders from Yushchenko and the Presidential Secretariat.

BYuT Still Open to Orange But Open to Regions  
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[1](#)3. (C) On September 26, BYuT MP Ostap Semerak told us that Tymoshenko remains against early elections and will do almost anything, apart from giving up the Prime Minister's seat, to avoid them. He was not confident, however, that BYuT and OU-PSD could agree on terms for a new coalition because Yushchenko "is convinced" that elections are the only way forward. BYuT MP Andriy Shkil told the Ambassador on September 24 that any reconciliation between Tymoshenko and Yushchenko at this point is a "fictional option."

¶4. (C) Shkil said that a BYuT/Regions pairing is still possible if it does not alter Ukraine's foreign policy or internal course. He added that the only position for Yanukovych in such a coalition would be Rada Speaker, as the PM's office "is occupied." In a September 23 meeting with the Ambassador, Yanukovych expressed disdain for Tymoshenko, but did not rule out a BYuT/Regions coalition (Ref. A). Regions announced on September 25 that it would officially sit on the sidelines to see what happens in the OU-PSD/BYuT negotiations. The same day, Regions MP Mykola Azarov said "serious ideological differences" had hindered progress in BYuT/Regions negotiations.

30-Day Coalition Clock Start Date: The Question May be Moot  
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¶5. (C) According to the Constitution, the dissolution of the Rada coalition started a 30-day clock to reach a new coalition agreement. If no coalition is formed within 30 days, the President may, but is not obliged to, call early parliamentary elections. As negotiations intensify, politicians and government officials are questioning whether the clock began on September 16, or earlier. In his meeting with the Ambassador, Yanukovych said that Regions lawyers had concluded that a coalition must be formed by October 3, or Yushchenko could call new elections. On September 26, Presidential Secretariat deputy head Maryna Stavniychuk also lent credence to the earlier date, saying that the 30-day period "started at the moment" that the coalition members split. Nevertheless, Rada Speaker Arseniy Yatsenyuk officially announced the coalition termination in plenary session only on September 16. Some analysts tell us that the

rules are explicit and support the September 16 date, but that any final decision on early elections would be negotiated by the parties in the Rada, or decided by the court.

¶6. (C) Regardless of when the negotiating period officially ends, according to OU-PSD deputy faction leader Roman Zvarych, Yushchenko is unlikely to call for new elections right away (Ref. B). In a September 24 meeting, National Security and Defense Council Chair Raisa Bohatyrova told the Ambassador that, while early elections are likely, it would be better for OU to postpone them to give them time to work their electorate. Stavniychuk echoed earlier statements by Yushchenko surrogates when she announced that Yushchenko is not currently considering the early dissolution of the Rada.

Comment  
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¶7. (C) BYuT and OU-PSD continue to negotiate, but both sides say that their efforts may be fruitless due to continued opposition by Yushchenko to reforming the coalition. Yushchenko appears convinced that Rada elections would best serve his interests (though polling indicates otherwise). Regions appears confident. Its decision to sit out negotiations for now could strengthen their negotiating position with BYuT if BYuT/OU-PSD negotiations break down. October 3 could be the drop dead date for coalition formation, but, as always, there are varying opinions.

PETTIT